2007-03113/

Ottawa, December 28, 2006
2006-090

Canada's New Government Proposes Tax Exemption for Midwifery Services

The Honourable Jim Flaherty, Minister of Finance, today proposed an amendment to the Excise Tax Act to exempt the services of midwives throughout Canada from the goods and services tax (GST) and the harmonized sales tax (HST).

"By taking this action today, we are supporting the midwifery profession and making this birthing option more affordable for women throughout Canada," said Minister Flaherty.

The Government of Canada has adopted an objective approach to determining which services should be considered basic health care services and consequently be exempt from GST/HST. For example, if a service is covered by the health care plan of two or more provinces, it will be exempt from the GST/HST in all provinces. In addition, if a profession is regulated as a health profession by at least five provinces, the services of that profession will be exempt from the GST/HST in all provinces.

The practice of midwifery satisfies the policy criteria for GST/HST exemption. Accordingly, it is proposed that the profession of midwifery be added to the list of health care practitioners whose services are exempt from the GST/HST, when the services are rendered to an individual.

The exemption is proposed to apply to supplies of midwifery services made after today's date.

For further information, media may contact:

Eric Richer
Press Secretary
Office of the Minister of Finance
613-996-7861

David Gamble
Media Relations
Department of Finance
613-996-8080

If you would like to receive automatic e-mail notification of all news releases, please visit the Department of Finance website at www.fin.gc.ca/scripts/register_e.asp